

JUNE 7, 2013

TO: BOARD OF DIRECTORS

FROM: SHELLY VERRINDER, EXECUTIVE DIRECTOR

RE: GENERAL STUDY SESSION

ISSUE:

At its meeting on May 23, 2013, the Metro Board of Director failed to approve the \$67,172,267 in Proposition C local funding for Access Services for Fiscal Year 2013/ 2014 (starting July 1, 2013). The issue of funding was referred to the METRO Executive Management Committee on June 20, 2013 and will subsequently be presented to the Metro Board of Directors for approval at their meeting on June 27, 2013.

Staff is hopeful that Access' full FY 13/14 budget request will be approved on June 27th but, given the unprecedented nature of this action, also must plan for the possibility that it will not be. The failure to approve funding has significant implications for Metro, the other 42 fixed-route operators in Los Angeles County as well as Access employees and the employees of our contractors. Most importantly, the failure to fund Access will negatively affect the more than 135,000 persons with disabilities who depend on Access Paratransit for their daily transportation needs.

Current estimates are that Access will run out of local funds and be required to cease operations on or around July 31, 2013 if full funding is not forthcoming. (This date is contingent on our ability to begin drawing down on previously approved federal 5310 funds.) Failure to provide complementary ADA paratransit would result in an ongoing Federal and State civil rights violation by all Los Angeles fixed-route operators who are Access member agencies each of which have the duty to provide compliant service. It would also be a derogation of the compliance certifications under federal grants received by these organizations for other purposes.

The delay in securing the annual local funding for Access presents significant problems in and of itself. Any attempt to provide Access with less than a full year of local funding would also have significant negative ramifications for the following reasons:

- Federal law requires that the mandated services provided under the FTA approved Los Angeles County Coordinated Paratransit Plan administered by Access be funded to meet all anticipated demand. If funding is not forthcoming and the mandatory aspects of the Coordinated Plan not provided, all of the fixed route operators in the region could be found out of compliance.
- Access may not be able to draw on its approved federal funds because to do so requires that it certify to the FTA that Access has adequate resources and financial capability (including source of required matching funds) to properly plan, manage, and complete its "Project" for the fiscal year of the grant. Access would not be able to enter into annual contracts for any number of essential services, which would make it virtually impossible to operate the Agency.

- It goes without saying that not being funded for the entire year would be a severe distraction for the Agency and its employees and distract from its main purpose of providing ADA paratransit.

Given this unfortunate circumstance, the Access Board Chairperson has called a special meeting for June 12, 2013, so that the Access Board of Directors can discuss this issue and determine what steps need to be taken to comply with contractual and statutory requirements.

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